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*Local Counsel for BH North American
Corporation*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

SEARS HOLDINGS CORPORATION, *et al.*,

Debtors.¹

Case No. 18-23538 (RDD)
Chapter 11

(Jointly Administered)

**NOTICE OF RECLAMATION DEMAND BY
BH NORTH AMERICAN CORPORATION**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

PLEASE TAKE NOTICE that BH North American Corporation (“BH”), by and through its undersigned counsel, hereby gives notice that it served a demand for reclamation of goods (the “Reclamation Demand”) pursuant to 11 U.S.C. § 546(c), U.C.C. § 2-702, and applicable non-bankruptcy law, on the above captioned debtors and debtors in possession (the “Debtors”) to reclaim certain pre-petition invoiced goods (the “Goods”) which were sold by BH to the Debtors in the ordinary course of business, and which were received by the Debtors during the 45 days prior to the filing of the Debtors’ chapter 11 bankruptcy cases. BH incorporates herein by reference a copy of its formal reclamation demand letter attached as *Exhibit “A”*, which has been delivered to the Debtors and counsel by overnight mail and electronic mail. The value of the Goods at issue is not less than \$284,760.00.

PLEASE TAKE FURTHER NOTICE that BH reserves all of its rights with respect to the Goods, including, without limitation, (i) its right to be paid in the ordinary course of business as a post-petition creditor of the Debtors to the extent the Goods were delivered to the Debtors on or after October 15 2018; (ii) its right to assert a 20-day administrative priority claim pursuant to 11 U.S.C. §503(b)(9); (iii) its right to assert a “new value” defense to any preference demand pursuant to 11 U.S.C. §547(c)(4); (iv) its right to demand payment of any portion of these invoices as a “cure” payment in connection with the Debtors’ assumption of any executory contract, if any, pursuant to 11 U.S.C. § 365; (v) its right to seek payment of its prepetition invoices from any non-debtor parties that are co-obligors; (vi) its right to file additional demands or claims, including without limitation, a proof of claim; and/or (vii) its right to assert any other rights under applicable law. By filing this Notice, BH does not consent to entry of final orders of the bankruptcy court on non-core issue and claims, and does not waive any jurisdictional defenses and BH reserves

its rights to amend this Notice.

Dated: October 23, 2018

HICKS FLETCHER & MACK, LLP

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(*pro hac vice* application pending)

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